

Dear Sir/Madam,

Facilitation of outward remittances to Sri Lankan students and those on short term visits abroad.

The Permanent Mission of Sri Lanka is pleased to forward herewith the following information received from the Ministry of Foreign Relations with regard to the **facilitation of outward remittances to Sri Lankan students and those on short term visits abroad.**

The Ministry of Foreign Relations, the Central Bank and other relevant authorities in Sri Lanka have been working to ensure that Sri Lankans stranded abroad who have gone on short term visas (tourism, medical purposes, short-term training, business, professional purposes, visiting family/relatives, pilgrimage etc) and students who may be facing difficulties in cash flows, which necessitates smooth flow of required foreign exchange to be sent from Sri Lanka.

Accordingly, with regard to regulations pertaining to remittances of foreign exchange, please note the following:

- On 19th March 2020 the Foreign Exchange Department of the Central Bank of Sri Lanka issued a directive to Authorized Dealers on Release of Foreign Currency Notes for Travel Purposes with a ceiling of USD 5,000 (Annex I). Please note that this is not applicable and / or arisen in the context of persons who have already left Sri Lanka for short term visits.
- Therefore, persons who have gone abroad for studies (under student or equivalent visas) or for medical purposes or on their behalf, persons in Sri Lanka are permitted to remit funds from Sri Lanka to cover expenses of university/tuition/training fees/living expenses, medical charges or as any related fees etc. through Authorized dealers, that is already permitted as Current Transactions under the Foreign Exchange Act (FEA).
- Further, on 9th April 2020 the Central Bank issued a Press Release on 'The Government and the Central Bank of Sri Lanka introduce further measures to preserve the foreign currency reserve position of Sri Lanka' (Annex II), which also clearly states that suspension is only on foreign currency remittances pertaining to capital transactions and NOT current transactions (i.e. for educational and medical purposes, living expenses, etc.)
- Persons who have gone abroad for pursuing education (i.e. students) are recognized as persons resident in Sri Lanka for the purposes of FEA. Accordingly, such students can obtain Electronic Fund Transfer Cards (EFTCs) (i.e. credit/debit cards) from Authorized Dealers (ADs) in terms of the Directions issued under FEA to that effect.
- If anyone stranded abroad need to get his/her credit limit enhanced, it is a decision of the respective Authorized Dealer and there are no credit limits imposed under FEA on EFTCs.

- Persons who have gone abroad for short term purposes (other than the persons who have migrated or those who have left Sri Lanka for employment abroad) are permitted to obtain EFTCs from ADs for making payments in foreign exchange to persons resident outside Sri Lanka in respect of personal nature current transactions.
- Foreign currency earners who have to repay loans in foreign currency and whose incomes have been adversely affected due to the COVID-19 outbreak can obtain a three (03) months postponement of repayment of loans. These borrowers should contact the respective banks before 30 April 2020.

We hope that you and your family are safe and well during this trying time!

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**DEPARTMENT OF FOREIGN EXCHANGE
CENTRAL BANK OF SRI LANKA**

DIRECTIONS No. 01 OF 2020 UNDER FOREIGN EXCHANGE ACT, No.12 of 2017

Directions issued to Authorized Dealers on Release of Foreign Currency Notes for Travel Purpose

In terms of Section 9 (1) of the Foreign Exchange Act, No. 12 of 2017, Authorized Dealers (ADs) are hereby informed that Paragraph 3.1.1. of the Schedule II to the Direction No. 01 of 2017 on Current Transactions issued to Authorized Dealers on 20.11.2017 is hereby repealed and substituted with the following with effect from 19.03.2020;

3.1.1. Authorized Dealers shall issue foreign currency notes as travel allowance to persons resident in Sri Lanka who are travelling abroad for any purpose (including travel, business, training, medical treatment abroad, etc.), subject to a maximum of USD 5,000 (or its equivalent in other foreign currency), with an appropriate endorsement made on the passport where such person is a citizen of Sri Lanka.

(sgd) R.R. Jayaratne

Director – Department of Foreign Exchange

19 March 2020



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Press Release

Issued By Department of Foreign Exchange

Date 9 April 2020

The Government and the Central Bank of Sri Lanka Introduce Further Measures to Preserve the Foreign Currency Reserve Position of Sri Lanka

With the view of preserving the foreign currency reserve position of the country, minimizing the existing pressure on the exchange rate and considering the possible negative impact to the Sri Lankan economy due to the outbreak of Covid-19 pandemic, the Hon. Minister of Finance, Economic and Policy Developments with the recommendation of the Monetary Board of the Central Bank of Sri Lanka (CBSL) and the approval of the Cabinet of Ministers has issued an Order imposing the following measures on outward remittances on **Capital Transactions** for a period of **three (03) months**.

1. Suspend the general permission granted to make outward remittances for investments overseas through the Outward Investment Accounts by persons resident in Sri Lanka excluding the following;
 - a. investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act, or
 - b. investments to be made to fulfill the regulatory requirement in that country.
2. Suspend the outward remittances through Business Foreign Currency Accounts (BFCAs) or Personal Foreign Currency Accounts (PFCAs) held by persons in, or resident in, Sri Lanka, other than for the remittances on current transactions.

3. Suspend the repatriation of funds under the migration allowance through Capital Transactions Rupee Accounts (CTRAs) by the emigrants who have already claimed migration allowance.
4. Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time up to a maximum of USD 30,000.
5. Limit the authority of the Monetary Board of the Central Bank of Sri Lanka to grant special permission for investments on case by case basis, which exceeds the limits specified in the general permission, only to those satisfying the criteria mentioned in 1.a and 1.b above.

The above restrictions are only applicable to the identified capital transactions and do not impose any restrictions on already permitted current transactions.

The said Order published in the Extraordinary Gazette No. 2169/3 dated 02.04.2020 can be accessed through “Downloads” in the official website of the Department of Foreign Exchange (www.dfe.lk).